

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



Division of Integrated Health Systems, Family and Children's Health Programs Group, CMSO

June 2, 2003

Mike Robinson, Commissioner
Cabinet for Health Services
Department for Medicaid Services
275 East Main Street
Frankfort, Kentucky 40621-0001

Dear Mr. Robinson:

I am pleased to inform you that the Centers for Medicare and Medicaid Services (CMS) is approving Kentucky's request for renewal of its non-emergency transportation waiver program, entitled the Human Service Transportation Delivery Program (HSTD) and authorized under Section 1915(b)(4) of the Social Security Act (the Act.)

My decision is based on the evidence submitted to CMS demonstrating that the State's proposal is consistent with the purposes of the Medicaid program and will meet all the statutory and regulatory requirements for assuring beneficiaries' access to and quality of services and will be a cost-effective means of providing non-emergency transportation to Kentucky's Medicaid population. This approval provides for waiver of Section 1902(a)(23) of the Act (Freedom of Choice) to restrict Medicaid beneficiaries' choice to obtain transportation services through an in-house broker which utilizes a network of primary and secondary group providers in 15 service regions. Approval also allows the State to claim transportation as an optional medical service, which is matched at the State's higher FMAP rate, rather than as an administrative expense.

Approval of this waiver covers a period of two years, from June 6, 2003, through June 5, 2005. Approval is contingent upon the State's meeting the terms and conditions outlined below:

- The State of Kentucky shall provide documentation, based upon actual encounter data, confirming that payment rates in Region 6/7 do not exceed projected costs. The first report will be submitted to CMS by December 31, 2003; subsequently, reports will be due every six months for the remainder of the renewal period.

- The State of Kentucky shall provide documentation, based on actual encounter data, confirming that actual costs for the entire program during the renewal period do not exceed the revised without waiver limits. The first report will be submitted to CMS by December 31, 2003; subsequently, reports will be due every six months for the remainder of the renewal period.

Kentucky may request that this authority be renewed again and should submit its request for the renewal period 90 to 120 days in advance of the expiration date. Kentucky will continue to be responsible for documenting the cost-effectiveness, access and quality factors in subsequent renewal requests.

We wish you success in the operation of the Kentucky Medicaid Non-Emergency Transportation Waiver program. If you have any questions, please feel free to contact Marsha Montague in the CMS Atlanta Regional Office at (404) 562-7481 or Claudia Lamm at (410) 786-3421.

Sincerely,

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Mike Fiore, Director
Division of Integrated Health Systems

cc: Marsha Montague, CMS Region IV
DIHS Update Team
FCHPG Web Waiver Team